

May 24, 2018

To: Tennessee County Mayors

CC: Local Workforce Development Board Chairs

Burns Phillips III, Commissioner of Labor and Workforce Development

State Workforce Development Board Members

Re: Realignment of Local Workforce Development Board Areas

As I outlined in my State of the State address in January 2018, Tennessee has experienced great success in education, workforce development, and job growth. We are on a pathway to meet our Drive to 55 goal two years early, which means 55 percent of Tennesseans will have a postsecondary degree by 2023. Tennessee has a job growth rate greater than 17 percent, far above the national average, with nearly 400,000 net new private sector jobs created since 2011. Last year, more Tennesseans had a job than at any other point in state history. Additionally, we ranked first in the nation for new jobs resulting from foreign direct investment. And, during 2017 alone, 45 percent of Tennessee's new job commitments were located in our rural communities. However, in order to continue to build upon this success for future generations, there is still much work to be done.

In February 2018, the State Workforce Development Board (SWDB) elected to review the alignment of Tennessee's Local Workforce Development Areas (LWDAs). The impetus for looking at statewide realignment partially arose from a local government, Grundy County, requesting to change its LWDA in order to better align its resources with Tennessee's Economic Development Job Base Camps (ECD Base Camps). After recommending that Grundy County shift from LWDA 6 to LWDA 5 to better serve its citizens, it was apparent that we needed to conduct a comprehensive alignment analysis of all our LWDAs.

During the time period from February 2018 to the SWDB quarterly meeting on May 11, 2018, the SWDB staff completed an extensive analysis of the state's workforce development areas, federal and state resources, and labor market data. Furthermore, the SWDB reviewed Tennessee's capacity to serve our citizens in the areas of workforce development, economic development, and access to higher education and training services. As part of this analysis, leadership from Tennessee's Department of Labor and Workforce Development sought input from local county mayors, local workforce development board chairs, and community leaders across the state. The meetings focused on aligning LWDAs with the ECD Base Camps and also demonstrated how the shift would coincide with the adult education and career pathways regions. The parties were also informed of the analysis and considerations being made by the SWDB and Workforce Services staff in terms of labor market analysis and workforce trends. The major takeaway from each of these meetings was that Tennessee needs to further enhance its regional development capacities and optimize opportunities to share and leverage resources in the areas of

workforce development partnerships while continuing to create access to services and opportunities in rural areas.

Upon completion of this analysis, at its May 11 SWDB meeting, the board elected to recommend realignment of the current thirteen LWDAs with the nine ECD Base Camps supporting my vision of streamlining and aligning regional service delivery. Upon careful consideration and deliberation with our state agencies, partners, and local leaders, I have moved to adopt the recommendation of the SWDB to realign the current thirteen LWDAs to align with the nine ECD Base Camps effective July 1, 2018. We must align our resources to allow for a more efficient and effective government and bring forth innovation and best practices that will help Tennessee lead the nation in jobs, education, and government efficiency.

I am confident that through this realignment of the LWDAs, our local leaders and partners will be better able to work together in the areas of workforce, education, and economic development. The realignment will also continue to increase access to higher education and training opportunities, while enhancing services for citizens in rural areas. The realignment enables our agencies to deliver services and manage public resources in a sound, fiscally conservative manner. The principles of working together, exploring innovation, living within our fiscal means—while providing opportunities to our citizens—have led to Tennessee's recent successes. As we move into the future—and face a rapidly changing world in technology, workforce, and business—these principles will be vital to Tennessee's future successes. Tennessee can and will lead in the area of workforce development.

In the event of any dissent with this realignment, you may file an appeal pursuant to the Workforce Innovation and Opportunity Act (29 U.S.C. § 3121). Such appeal must be in writing and directed to Todd Skelton, Deputy Counsel to the Governor, via email at Todd.Skelton@tn.gov within 14 calendar days of the date of this letter.

Thank you for your continued commitment to promoting the economic and workforce development of communities across the state.

Sincerely,

Bill Haslam Governor